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Press Release

FOR IMMEDIATE RELEASE

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Attorney General McGraw and New York Attorney General Deliver \$655,000 in Restitution to WV and Nationwide; Agreement Reached with Seven NY Companies

Agreements Will Deliver \$665,000 in Restitution to Consumers in West Virginia and Nationwide who were Scammed By Fraudulent Companies

Attorney General Darrell McGraw today announced settlement agreements between the New York Attorney General and seven online electronics stores located in New York for engaging in a variety of illegal and fraudulent business practices that scammed consumers nationwide out of hundreds of thousands of dollars. Under the terms the settlements, the seven companies will pay a total of \$665,000 in restitution and civil penalties. Two of the companies will close completely. The remaining five companies have agreed to substantially change their business practices and will be subject to ongoing monitoring by the New York Attorney General's Office.

Under the agreements, two of the companies, Camera Wiz and Sonic Photo, will dissolve completely. The following five companies will completely revamp their business practices, be subject to ongoing monitoring, and post a performance bond: Best Price Camera, Foto Connection, 1 Way Photo, 86th Street Photo and Broadway Photo, LLC.

The settlement funds will provide restitution to consumers who were the victims of the companies' illegal business practices. Consumers who believe they qualify to receive restitution should submit claims to the NY BBB, which will then evaluate and issue the appropriate restitution through December 1, 2009. ALL CLAIMS MUST BE POSTMARKED BY DECEMBER 1, 2009.

West Virginia residents who have not submitted claims but believe they are eligible for refunds should file a claim with the NY BBB immediately. Claim forms can be obtained by calling the West Virginia Consumer Protection Hot Line, 1-800-368-8808, or from Attorney General McGraw's web page at www.wvago.gov/pdf/NY_finalClaimform.pdf.

New York's investigation revealed that these seven companies would advertise consumer electronics, such as cameras, camcorders, projectors, and related accessories online at prices significantly lower than their competitors to induce consumers to place orders via the Internet. Once an order was placed, the companies would call consumers and try to sell them additional or "upgraded" merchandise at inflated prices. If the consumer refused to purchase the additional merchandise, the companies would cancel the sale or claim the item was backordered for months. If the consumer did agree to purchase the additional merchandise, the companies would send them lower quality merchandise than what was promised or merchandise that the consumer never ordered in the first place. When customers tried to return the items, they would either be denied or be slammed with undisclosed fees. All of the companies further limited customers' ability to return merchandise by requiring them to speak to a live customer representative during limited business hours, and then refusing to answer those telephone calls.

In addition to their bait-and-switch and illegal sales practices, all of these companies obtained fake "consumer testimonials" through websites that claim to be impartial consumer-based "rating" websites, but are in fact pay-per-click-based websites filled with content provided by the websites' proprietors. Most of the companies changed names and websites so often that consumers looking for truthful reviews or testimonials for the companies would be unable to find them.

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